

Message Text

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10

ORIGIN EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-14 IO-14 ISO-00

AGR-20 L-03 H-03 SP-03 AID-20 NSC-07 RSC-01 CIEP-02

TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

DODE-00 PA-04 USIA-15 PRS-01 TAR-02 /252 R

DRAFTED BY EB/ICD/TRP:HFWANNING:DE

APPROVED BY EB/ORF/ICD:JJINGERSOLL

ARA/NC:MCFORRESTER

ARA/ECP:CWREYNOLDS (DRAFT)

EA/EP:DWILSON (DRAFT)

AF/EPS:GKENNEY (DRAFT)

EB/ICD/TRP:TTTURQMAN

----- 119431

R 102315Z MAY 74

FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS

AMEMBASSY BANGKOK

AMCONSUL BELIZE

AMEMBASSY CANBERRA

AMEMBASSY MANILA

AMEMBASSY MBABANE

AMEMBASSY NEW DELHI

AMEMBASSY PORT LOUIS

AMEMBASSY PRETORIA

AMEMBASSY SUVA

AMEMBASSY TAIPEI

AMEMBASSY TANANARIVE

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

AMEMBASSY LONDON

AMEMBASSY ROME

XMT AMEMBASSY NASSAU

AMEMBASSY MONTEVIDEO

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AMEMBASSY SANTIAGO

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E.O. 11652: N/A

TAGS: ETRD, EAGR

SUBJECT: SUGAR: HOUSE AGRICULTURE COMMITTEE AMENDS
AND APPROVES SUBCOMMITTEE PROPOSALS

REF: (A) STATE 92672 (B) STATE 94008

1. AT MEETING OF HOUSE AGRICULTURE COMMITTEE MAY 10,
FOREIGN ASPECTS OF AD HOC SUBCOMMITTEE PROPOSALS (REF A)
WERE APPROVED WITH MINOR CHANGES NOTED BELOW.

2. CUBAN QUOTA: IN RESPONSE TO QUESTION FROM COMMITTEE
MEMBERS, CHAIRMAN POAGE SAID THAT RETENTION OF CUBAN RE-
SERVE QUOTA WAS LARGELY TO ACCOMMODATE DEPARTMENT VIEWS.
HE SAID THAT HE COULD NOT EVALUATE WHETHER THOSE VIEWS WERE
RIGHT OR WRONG. NO VOTE WAS TAKEN ON RETENTION.

3. FORMULA FOR QUOTA ALLOCATIONS: COMMITTEE COUNSEL EX-
PLAINED THAT FOR VAST MAJORITY OF COUNTRIES, FOREIGN QUOTAS
WERE DETERMINED STRICTLY ON THE BASIS OF ACTUAL SHIPMENTS
(INCLUDING FIRST-COME, FIRST-SERVED) IN 1973, 1974 QUOTAS
UNDER CURRENT LEGISLATION, AND 1974 FIRST-COME, FIRST-
SERVED SHIPMENTS. EXCEPTIONS TO THIS CALCULATION WERE
THOSE COUNTRIES WHO RECEIVED FIXED 15,000 TON QUOTAS,
PHILIPPINES, WEST INDIES, VENEZUELA, AND THAILAND. IN
PHILIPPINE CASE QUOTA DETERMINED BY ADDING PRO RATA SHARE
OF CUBAN QUOTA TO PREVIOUS STATUTORY QUOTA OF 1,126,020
TONS. VENEZUELA AND WEST INDIES QUOTAS WERE INCREASED BE-
CAUSE OF DROUGHT CONDITIONS IN 1973. MODEST THAI INCREASE
WAS IN U.S. NATIONAL INTEREST, AND, HE EXPLAINED, SUP-
PORTED BY DEPARTMENT.

4. REPRESENTATIVE FOLEY OFFERED AMENDMENT TO MOVE
MALAWI, WITHOUT CHANGE IN TOTAL QUOTA, FROM COUNTRIES
LISTED PARA 2 (B) REF A TO LIST IN PARA 2 (A). HE EXPLAINED
THAT UNLIKE OTHER COUNTRIES IN PARA 2 (B), ON BASIS FOR-
MULA USED FOR OTHERS, MALAWI'S QUOTA WOULD BE ALMOST
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EXACTLY 15,000 TONS AND, THEREFORE, MALAWI SHOULD BE ELIGI-
BLE SHARE IN MARKET GROWTH AND DEFICIT ALLOCATIONS. AMEND-
MENT WAS CARRIED, AND WILL RESULT IN VERY MINOR CHANGE IN
PERCENTAGES TO BE LISTED FOR OTHER COUNTRIES IN PARA 2 (A),
BUT NOT IN TOTAL TONNAGE QUOTA ENTITLEMENT.

5. FOLEY ALSO OFFERED AMENDMENT TO SECTION 202 (D) (3) OF
ACT WHICH WILL HAVE EFFECT OF ALLOWING SECRETARY OF

AGRICULTURE NOT REPEAT NOT TO WITHHOLD QUOTA IF A COUNTRY BECOMES NET SUGAR IMPORTER DUE TO CROP DISASTER OR OTHER FORCE MAJEURE. AMENDMENT, WHICH WAS SUPPORTED BY DEPARTMENT, WAS PASSED.

6. VENEZUELA: REP ROSE, ON BEHALF OF REP GUNTER, OFFERED AMENDMENT TO SUSPEND VENEZUELAN QUOTA SUBJECT TO POSSIBLE LATER RESTORATION AFTER APPROVED BY THE CONGRESS. ROSE CITED NUMEROUS PRESS ARTICLES CONCERNING INCREASES IN VENEZUELAN OIL PRICES, CUTBACKS IN OIL PRODUCTION, AND FAILURE TO DELIVER SUGAR UNDER CURRENT QUOTA. HE SUGGESTED THAT THE CONGRESS "SEND A MESSAGE TO OUR FRIENDS IN LATIN AMERICA." CHAIRMAN POAGE OPPOSED AMENDMENT NOTING THAT VENEZUELA IS CHARGING WORLD PRICES FOR OIL, JUST AS ARE U.S. WHEAT FARMERS FOR THEIR COMMODITY. FOLEY NOTED THAT PURPOSE OF SUGAR ACT IS TO ASSURE U.S. SUPPLIES AND NOT TO GET INTO "ACTION-REACTION FOREIGN POLICY GAME." HE MENTIONED THAT VENEZUELA HAS NEW ADMINISTRATION, AND IS OUR MOST IMPORTANT CUSTOMER IN LATIN AMERICA. WITH OTHER REPRESENTATIVES SUPPORTING VIEWS OF POAGE AND FOLEY, AMENDMENT WAS DEFEATED BY VOICE VOTE.

7. REP RARICK OFFERED AMENDMENT TO INCREASE QUOTA FOR GUATEMALA. HE NOTED THAT LAST SHIPMENT TO MEET 1973 QUOTA HAD BEEN DELAYED BY STORM AND HAD ARRIVED JANUARY 1, 1974, AND ASKED INCREASE TO CORRECT THIS "INEQUITY". POAGE AND OTHERS OPPOSED AMENDMENT ON BASIS THAT SOME ARBITRARY CUTOFF POINT MUST BE ESTABLISHED AND NO FURTHER EXCEPTIONS SHOULD BE MADE TO SUBCOMMITTEE'S FORMULA. AMENDMENT WAS DEFEATED.

8. COMMITTEE AUTHORIZED CHAIRMAN POAGE TO INTRODUCE CLEAN

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BILL INCORPORATING FULL COMMITTEE AMENDMENTS MAY 13. FULL COMMITTEE WILL VOTE ON BILL MAY 14. FURTHER AMENDMENTS BEFORE VOTE ON HOUSE FLOOR ARE NOT REPEAT NOT EXPECTED. RUSH

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Message Attributes

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Copy: SINGLE
Draft Date: 10 MAY 1974
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Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: HFWANNING:DE
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Executive Order: N/A
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US Department of State
EO Systematic Review
30 JUN 2005

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Type: TE
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